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September 9, 2011

Mr. Michael Machado, Executive Director Delta Protection Commission 14215 River Road P.O. Box 530 Walnut Grove, CA 95690

Dear Mr. Machado:

The purpose of this letter is to provide comments on your August 9, 2011, draft of the Delta Protection Commission's (DPC) Economic Sustainability Plan (ESP). These comments build upon (and to some extent, reiterate) the suggestions included in our July 14, 2011, letter to you. Please note that we are not providing line-by-line comments on the ESP, but rather general comments and suggestions on the overall content and direction of the plan.

## The Coequal Goals as the Basic State Goals for the Delta

As you and your Commission members are aware, the primary driver of the Delta Plan is the statutory obligations imposed by the coequal goals:

"Coequal goals" means the two goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource and agricultural values of the Delta as an evolving place. (Water Code section 85054)

## The Economic Sustainability Plan Must be Consistent with the Coequal Goals

"The commission shall develop, for consideration and incorporation into the Delta Plan by the council, a proposal to protect, enhance, and sustain the unique cultural, historical, recreational, agricultural, and economic values of the Delta as an evolving place, in a manner consistent with the coequal goals." (Water Code section 85301(a)) (emphasis added).

## Council Consideration of the Economic Sustainability Plan

Our statute further provides that when the DPC completes and submits its Economic Sustainability Plan:

"...The council shall consider the proposal and may include any portion of the proposal in the Delta Plan if the council, in its discretion, determines that the portion of the **proposal is feasible and** consistent with the objectives of the Delta Plan..." (Water Code section 85301(d)). (emphasis added)

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As you know, the fifth staff draft Delta Plan was issued on August 2, 2011, and is circulating for public comment at this time, along with the appropriate environmental review and analysis to follow in several weeks. Accordingly, the Commission now has a relatively clear picture of the types of policies and recommendations that the Delta Plan may ultimately contain, although changes may be made as informed by the EIR and state rulemaking processes prior to adoption of the final Plan.

## Comments on Draft Three (August 9) of the Economic Sustainability Plan

Please refer back to our July 14, 2011, comment letter and its specific recommendations for the ESP. In addition, our concerns about the August 9 draft are as follows:

- 1. The draft ESP is limited in geographical scope to the Primary Zone of the Delta, perhaps because the land use authority of the DPC is limited to the Primary Zone. Unfortunately, that has led to little attention being paid to the Secondary Zone of the Delta, where urban development and economic activity surpass that of the Primary Zone by an order of magnitude. Since the Delta Plan includes the full statutory Delta --- Primary and Secondary--- as well as the Suisun Marsh, it is difficult to evaluate your economic development recommendations without understanding the relationship to and opportunities in the Secondary Zone. Many of the barriers to economic development cited for the Primary Zone (regulatory restrictions on building, for example) are more reasonably overcome when the entire legal Delta (and its economic activity) is taken into account.
- 2. The draft ESP does not explicitly state, but appears to lead readers to draw the conclusion that achievement of the coequal goals is incompatible with the Delta's economic sustainability. As a State agency, the DPC should foremost recognize that the Legislature has established the coequal goals in law as the basic goals of the state for the Delta. Because our preliminary read is that you believe that the economic sustainability of the Delta is fundamentally incompatible with the achievement of the coequal goals, it is not clear currently how the Commission's ESP would be consistent with and thus incorporated (in whole or in part) into the Delta Plan.

It is furthermore unclear whether you currently believe our Delta Plan to be inconsistent with the economic sustainability of the Delta region. If in fact you believe our Plan to be inconsistent, I encourage you to offer specific examples of these inconsistencies and your suggested amendments. The comment period on the fifth staff draft closes on Friday, September 30.

3. I have acknowledged the tensions between the coequal goals and the legitimate interest of Delta residents and elected officials for a robust economy in the Delta. However, the ESP should at a minimum, analyze how improvements might be achieved, and should not stop short after simply pointing out concerns or perceived threats. As mentioned in our previous letter, and in accordance with Public Resources Code section 29759, the draft should include much more

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specific economic development strategies in the final version of the ESP, in order to be consistent with the Delta Plan. In its current draft, the ESP appears to conclude that the future economic vitality of the Delta must remain generally the same as it is today - a snapshot in time, resistant to change and unable to adapt.

Per our August 31, 2011, meeting at the University of the Pacific, attended by you, your consulting team, Delta Stewardship Council staff and consultants and Department of Water Resources' staff, we will assist in establishing an expert panel to engage in a peer-review of your final Plan. Dr. Cliff Dahm, Delta Lead Scientist, will contact you regarding this matter.

Thank you for considering our comments as both the Council and the Commission, pursuant to legislative direction, endeavor to improve the situation in the Delta, consistent with the coequal goals and in a manner that protects and enhances the Delta as an evolving place. If you have any questions, or would like to discuss this issue further, please contact me at (916) 445-4500.

Sincerely,

P. Joseph Grindstaff

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Executive Officer

cc: Mark Cowin, Director, Department of Water Resources Campbell Ingram, Executive Officer, Delta Conservancy Delta Stewardship Council Members John Laird, Secretary, California Natural Resources Agency Jerry Meral, Deputy Secretary, California Natural Resources Agency Members of the Delta Protection Commission